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CENTRAL

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CENTRAL INTELLIGENCE BULLETIN

16 September 1958

DAILY BRIEF

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I. THE COMMUNIST BLOC

Taiwan Strait situation: Increased Chinese Communist shipping to the area north of the Matsus strengthens other indications of a logistical build-up there since 1 September.

(Page 1) (Map)

USSR: Khrushchev apparently resumed his vacation in the Crimea on 12 September instead of returning to Moscow, as previously thought possible. His aircraft, which was originally thought to have returned directly to Moscow from Stalingrad, actually flew first to the Crimea. TASS announced that Khrushchev received the chairman of the Japanese Council for Prohibition of Nuclear Weapons on 13 September near Yalta.

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II. ASIA-AFRICA

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India-UN: New Delhi will again raise the question of Chinese Communist UN membership in the General Assembly. Krishna Menon, who will lead the Indian delegation, has been instructed by Nehru to give the issue only routine emphasis.

(Page 3)

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Iraq: The regime is attempting to rally public opinion behind Premier Qasim following Deputy Premier Arif's removal as deputy commander of the Iraqi armed forces. Qasim, assuming a more public role, delivered two speeches on 15 September appealing for "national unity" and promising a plebiscite to determine the country's system of government.

i

Minister of Guidance Shanshal, reported to be opposing the Arif faction, has exhorted the nation to close ranks behind "our leader Premier Qasim."

<u>UAR</u>: The commander in chief of UAR armed forces and the commanders of UAR troops in Egypt and Syria met in Cairo over the past week end. The recent movement to Cairo of an Iraqi military delegation and several exiled Jordanian nationalist leaders suggests that UAR intentions with regard to those two countries may be under review.

No

16 Sept 58

DAILY BRIEF

ii

I. THE COMMUNIST BLOC

Taiwan Strait Situation

At least 14 Chinese Communist merchant vessels arrived	ŀ
in the port of Wenchow during the period 1-6 September. Pre	~ - •
liminary analysis of subsequent reports indicates that this	
high rate of shipping activity is continuing. If this rate is pro	_
jected it amounts to a monthly rate of 70. nearly double the	
normal port activity for Wenchow.	

nificant southward shift in operations of the Chinese Communist merchant fleet and appears to be directly related to military operations in the strait.

At least 16 jet fighters flew from either Canton or Huiyang to Chenghai on 15 September. These probably were the aircraft which flew from Nanchang to Canton on 14 September.

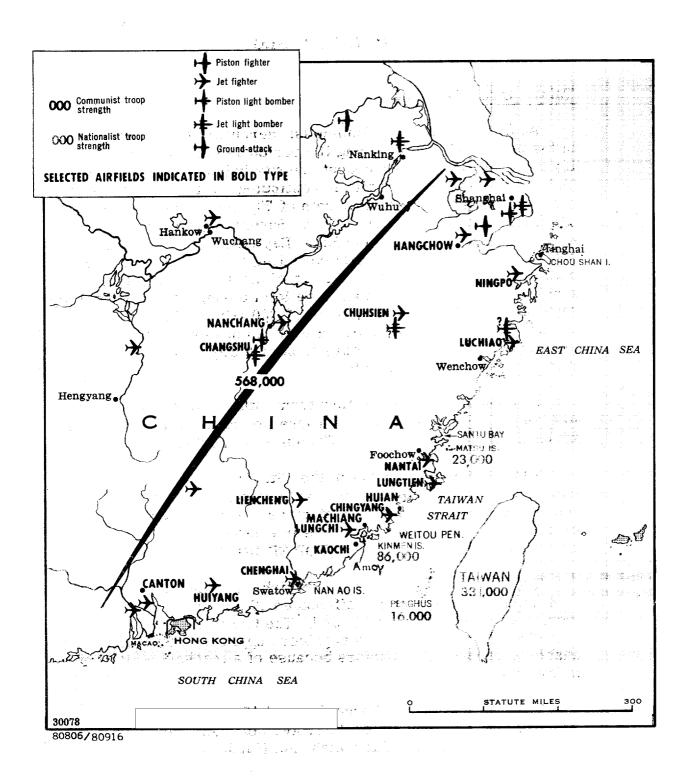
Ten military transports of the 13th Air Division, an air transport unit, flew from Hsuchow (northwest of Nanking) to Huiyang via Nanchang on 14 September. The number of aircraft involved in this movement is in excess of that normally associated with a unit move.

The Chinese Nationalist LST which made the supply run to Kinmen on 14 September off-loaded 17 amphibious tractors from several miles off the island. The tractors successfully unloaded 43 tons of food and engineer supplies, but the LST was unable to recover the tractors because of a mechanical failure in the ramp.

The Nationalist Air Force dropped 10 tons of food and other supplies on Kinmen on 14 September. Another air drop of 20 tons was scheduled for Lieh Hsu (Little Quemoy) later under cover of darkness.

One thousand tons of supplies were unloaded at Matsu on 14 September.

16 Sept 58 CENITAL INTELLICENCE BUILTIN Approved for Release: 2020/01/23 C03172474



TOP SECRET

Nationalist Vice President Chen Cheng,
was satisfied with the cooperation it had received from the United States to date, but that the Chinese Nationalist press and public, not realizing the extent of American cooperation, was inclined to be critical. Although Chen planned to stress to the legislature when it opened on 16 September the government's satisfaction with US assistance, the press has reported the introduction of a resolution which noted the ineffectiveness of the convoys and called for "immediate and effective" US and Nationalist air attack on guns shelling Kinmen.
Chen also said that he had refused a request from the chief of the General Staff to use the Nationalist Air Force to attack the Chinese Communist artillery positions when the bombardment began on 23 August. He said, however, that the supply problem was already critical and that, if it reached the point at which there was no other alternative, Nationalist air strikes would have to be made against the Communist artillery.
Peiping apparently sees prolonged negotiations as favorable to its aims of reducing Chinese Nationalist morale and prestige while building an image of Communist China as a great power requiring international acceptance. Kuo Mo-jo, Peiping's leading "peace" propagandist, stated in a speech on 15 September, "We do not mind even if the talks go on for five or even ten years," but added that Communist China hopes to "settle questions as quickly as possible."

II. ASIA-AFRICA

India's Attitude on UN Membership for Peiping

New Delhi intends to raise the issue of Chinese Communist membership in the United Nations when the General Assembly meets on 16 September, even though it foresees another defeat. It has sponsored this cause for the past two years and requested inscription of the item on the UNGA agenda last July, before the Chinese forces began shelling the offshore islands on 23 August. India presumably feels it cannot now abandon this stand, especially since it does not believe that Communist forces actually intend to invade the islands.

Nehru on 15 September once more outlined to parliament his long-held view that Taiwan and the offshore islands should become part of Communist China. His government is apparently embarrassed, however, over the fact that the Communists continue to shell Nationalist positions almost daily, while the Nationalists take no strenuous retaliatory action. The Indian UN delegation has been instructed to raise the membership issue only routinely,

New Delhi apparently has no plans for a diplomatic initiative seeking settlement of the Taiwan issue.

India's cautious attitude seems to stem in large part from a recent reappraisal of the long-range capabilities and intentions of the Sino-Soviet bloc. Nehru, particularly, now seems to doubt whether the Communist system can survive without the suppression of individual freedoms—an approach he himself cannot accept. He is also concerned over Chinese activities along India's Himalayan frontier and plans to visit Bhutan later this month.

The first secretary of the Soviet Embassy in New Delhi recently expressed anxiety over the 'hardening' of India's attitude toward Communist China.

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